



The banner features a blue background with a white circuit board pattern. On the left, there are two circular logos: the Department of Commerce seal and the Bureau of Industry and Security seal. To the right of the logos, the text "BIS 2018 ANNUAL CONFERENCE ON EXPORT CONTROLS AND POLICY" is displayed in white capital letters. The right side of the banner is decorated with a stylized world map composed of blue dots, overlaid with various colored lines and circles.

The Final Three: Transition of USML Categories I, II and III to the CCL

**Timothy Mooney, Senior Export Policy Analyst
Regulatory Policy Division
Bureau of Industry and Security**

Completing USML to CCL Review Process

(important step taken to cross the finish line)



Publication of “Firearms” Proposed Rules

- Commerce will soon publish the proposed rule, ***Control of Firearms, Guns, Ammunition and Related Articles the President Determines No Longer Warrant Control Under the United States Munitions List (USML)***.
- State will soon publish the proposed rule, ***Amendment to the International Traffic in Arms Regulations: Revision of U.S. Munitions List Categories I, II, and III.***

Purpose of this Presentation

- Provide an overview of the “firearms” proposed rules, to answer your questions on what was proposed, and
- Provide an update on the status of the rest of the USML categories that have been implemented.

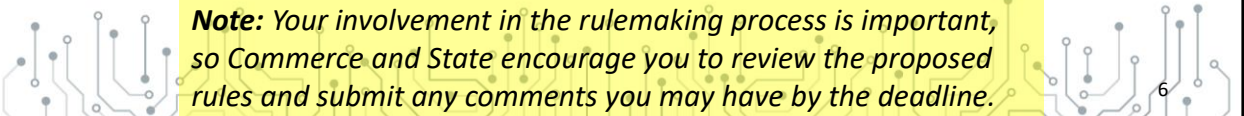


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Comment Period

- Commerce and State proposed rules include a 45-day comment period.
- Comments must be received by date specified in the rules.
- See the [ADDRESSES section](#) in the Commerce and State [proposed rules](#) for where to submit comments (*and on next two slides*).

Note: Your involvement in the rulemaking process is important, so Commerce and State encourage you to review the proposed rules and submit any comments you may have by the deadline.



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How to Submit Comments on the Commerce Proposed Rule?

You may submit comments by any of the following methods:

- Submit comments **via Federal eRulemaking Portal**:
<http://www.regulations.gov>. You can find this proposed rule by searching on its **regulations.gov docket number**, which is **BIS-2017-0004**.
- **By mail or delivery to the Regulatory Policy Division**, Bureau of Industry and Security, U.S. Department of Commerce, Room 2099B, 14th Street and Pennsylvania Avenue, NW, Washington, DC 20230. Refer to **RIN 0694-AF47**.



How to Submit Comments on the State Proposed Rule?

Interested parties may submit comments by one of the following methods:

- E-mail: **DDTCTPublicComments@state.gov** with the subject line, **“ITAR Amendment – Categories I, II, and III.”**
- Internet: At <http://www.regulations.gov>, search for this notice by using this rule’s **RIN (1400-AC90)**.



Contacts for Questions on Commerce and State Proposed Rules

- **Commerce rule contact:** [Mr. Steven Clagett](#), Office of Nonproliferation and Treaty Compliance, Nuclear and Missile Technology Controls Division, tel. (202) 482-1641; e-mail steven.clagett@bis.doc.gov.
- **State rule contact:** [Mr. Robert Monjay](#), Office of Defense Trade Controls Policy, Department of State, tel. (202) 663-2792; e-mail DDTCPublicComments@state.gov ATTN: Regulatory Change, USML Categories I, II, and III.

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Overview of the Proposed Rules

- **Commerce proposed rule** describes how articles the President determines no longer warrant control under United States Munitions List (USML):
 - ❑ **Category I** – Firearms, Close Assault Weapons, and Combat Shotguns;
 - ❑ **Category II** – Guns and Armament; *and*
 - ❑ **Category III** – Ammunition/Ordnance
 would be controlled under the Commerce Control List (CCL).
- **State proposed rule** revises [Categories I, II, *and* III](#) of the USML to describe more precisely the articles warranting continued control on that list.

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Criteria for What Stays on USML

The review was focused on identifying the types of articles that are now controlled on the USML that are either:

- (i) **inherently military and otherwise warrant control on the USML, or**
- (ii) **if of a type common to non-military firearms applications,**
 - possess parameters or characteristics that **provide a critical military or intelligence advantage to United States, and**
 - are **almost exclusively available from the United States.**

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Criteria for What Moves to CCL

- If an article satisfies **one or both of those criteria**, the article **remains on** the **USML**.
- If an article does **not satisfy either criterion**, it has been **identified in new** Export Control Classification Numbers (**ECCNs**) included in Commerce proposed rule.

Note: Scope of items described in the Commerce proposed rule is essentially: (1) **commercial items widely available in retail outlets, and** (2) **less sensitive military items.**

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BIS 2018 ANNUAL CONFERENCE ON EXPORT CONTROLS AND POLICY

Overview of the Department of Commerce ("Firearms") proposed rule

Steven Clagett, Director
Nuclear and Missile Technology Controls Division
Bureau of Industry and Security

Items From USML Category II Will Move to New "600 Series" ECCNs

- Category II of the USML and category ML2 of the Wassenaar Arrangement Munitions List (WAML) cover large caliber guns and other military weapons such as: *howitzers, cannon, mortars, anti-tank weapons, projectile launchers, military flame throwers and recoilless rifles.*
- In the Commerce proposed rule, items that are currently controlled in USML Category II that do not warrant ITAR control would be controlled on CCL under four new "600 series" ECCNs.

Note: This is consistent with existing BIS practice of using "600 series" ECCNs to control items of a military nature.

Items from USML Categories I and III Will Move to New 0x5zz ECCNs

- Items currently controlled in USML Categories I and III of the USML would be controlled in new ECCNs in which the third character is a “5.”
- These items are not appropriate for 600 series because, for the most part, they have civil, recreational, law enforcement, or other non-military applications.
- As with 600 series ECCNs, (1) first character would represent CCL category, (2) second character would represent product group, and (3) final two characters would represent WAML category that covers items that are the same or similar to items in the ECCN.

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Items Moved to CCL will Not be De-controlled

- Although firearms and other items described in Commerce proposed rule are widely used for sporting applications, BIS is not proposing “de-controlling” these items.
- BIS would require licenses to export or reexport to any country a firearm or other weapon currently on the USML that would be added to the CCL.
- BIS would require licenses for export or reexport of guns and armament that would be controlled under new ECCN 0A602.
- The intent is to:
 - reduce procedural burdens, and
 - costs of export compliance on U.S. firearms industry, *while allowing U.S. Government to control firearms appropriately and make better use of its export control resources.*

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Creation of New ECCNs

- Commerce proposed rule would **create 17 new ECCNs** to control items proposed for removal from the USML.
- Preamble includes discussion of each new ECCN and the controls that would apply.
- Highlights for these new ECCNs are included in the next few slides.

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New ECCNs	Summary of new 0x5zz <u>commodity</u> ECCNs
0A501	Firearms and related commodities
0A502	Shotguns and certain related commodities
0A503	Discharge type arms, grenade launchers, and certain other commodities
0A504	Optical sighting devices and certain related commodities
0A505	Ammunition and certain related commodities
0B501	Test, inspection and production equipment for firearms
0B505	Test, inspection and production equipment for ammunition

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New ECCNs	Summary of new 0x5zz <u>software and technology</u> ECCNs
0D501	Software for firearms and certain related commodities
0D505	Software for ammunition and certain related commodities
0E501	Technology for firearms and certain related items
0E502	Technology for shotguns
0E504	Technology for certain optical sighting devices
0E505	Technology for ammunition and related items

Note: Jurisdiction of the related software and technology will be the same as the hardware (commodities).

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Examples of Firearms Being Transferred to Commerce – ECCN 0A501



AMERICA'S RIFLE



Semi-auto
versions



20

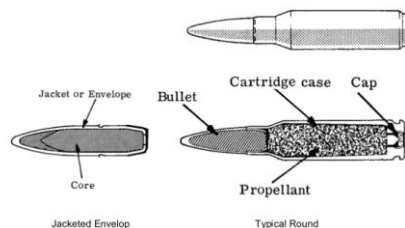
EXAMPLE OF A NEW 0x5zz ECCN TO BE ADDED TO CCL

- New **ECCN 0A501** would apply **NS-1, RS-1, FC-1, UN, and AT-1 reasons for control** to the following firearms, enumerated parts and components and to “specially designed” “parts,” “components,” “accessories” and “attachments” for those firearms and “parts” and “components:
- Non-automatic and semi-automatic firearms (other than shotguns) with a caliber of less than or equal to .50 inches (12.7 mm);
- Non-automatic and non-semi-automatic rifles, carbines, revolvers or pistols with a caliber greater than .50 inches (12.7 mm) but not greater than .72 inches (18.0 mm);
- Detachable magazines with a capacity of greater than 16 rounds but fewer than 50 rounds that are “specially designed” for firearms listed above;
- Receivers (frames) and complete breech mechanisms, including castings, forgings, or stampings thereof, “specially designed” for firearms listed above; and
- Barrels, cylinders, barrel extensions, mounting blocks (trunnions), bolts, bolt carriers, operating rods, gas pistons, trigger housings, triggers, hammers, sears, disconnectors, pistol grips that contain fire control “parts” or “components,” and buttstocks that contain fire control “parts” or “components” (e.g., triggers, hammers, sears, or disconnectors) if “specially designed” for firearms listed above or for firearms listed in USML Category I (unless part or component itself is listed in USML Category I(g) or (h) as specified in the State proposed rule).

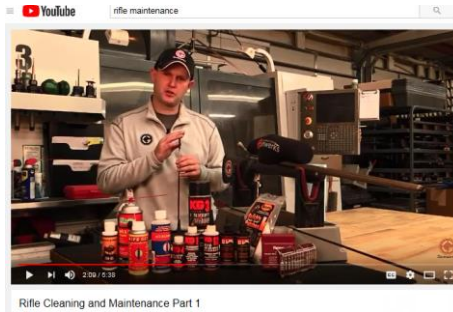
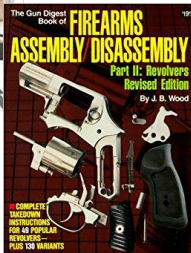
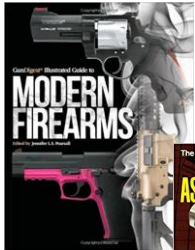
Note: **0A501.y** would be subject only to **AT-1 and UN reasons for control** and would cover such items as scope mounts or accessory rails, iron sights, sling swivels, butt plates, recoil pads, bayonets, and stocks or grips that do not contain any fire control “parts” or “components.”²¹

Examples of Ammunition Being Transferred to Commerce – ECCN 0A505

Small Arms Ammunition



Typical Public Domain Firearms Related Information



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New ECCNs	Summary of new "600 series" ECCNs
0A602	Guns and Armament
0B602	Test, inspection and production equipment for certain guns and armament
0D602	Software for guns and armament and certain related items
0E602	Technology for guns and armament, including technology for test, inspection and production equipment and software for guns and armament

Note: Jurisdiction of the related software and technology will be the same as the hardware (commodities).

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Examples of Guns and Armament Being Transferred to Commerce – ECCN 0A602



1890 – 1919 vintage



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Revisions to Seven ECCNs

- Commerce proposed rule would revise ECCNs 0A018, 0E982, 1A984, 2B004, 2B018, 2D018, and 7A611.
- These are conforming changes for other ECCNs either added or removed in Commerce proposed rule.

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Removal of Nine ECCNs

- Commerce proposed rule would remove ECCNs *0A918, 0A984, 0A985, 0A986, 0A987, 0B986, 0E918, 0E984, and 0E987*.
- Proposed rule would renumber these ECCNs to place certain firearms-related items currently on the CCL in closer proximity to the firearms-related items that would be removed from the USML and added to the CCL to make it:
 - **easier to identify, and**
 - **easier to classify such items.**

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Removed ECCNs	New proposed ECCNs where existing CCL items would be controlled
0A918	Bayonets from 0A918 would be controlled by 0A501.y
0A984	All commodities in 0A984 would be controlled by either 0A502 or 0A505
0A985	All commodities in 0A985 would be controlled by 0A503
0A986	All commodities in 0A986 would be controlled by 0A505.c, including less than lethal rounds
0A987	All commodities in 0A987 would be controlled by 0A504
0B986	All commodities in 0B986 would be controlled by 0B505.c
0E918	Because 0E918 “technology” for “development,” “production,” or “use” of bayonets is widely known, any attempt to limit its dissemination through export license requirements is unlikely to be effective, so it will be designated EAR99 <u>or</u> not “subject to the EAR,” if meets part 734 criteria.
0E984	All “technology” in 0E984 for development of shotguns and buckshot shotgun shells would be controlled under 0E502 (shotguns) <u>or</u> 0E505 (buckshot shotgun shells).
0E987	All “technology” in 0E987 would be controlled by 0E504

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Availability of EAR License Exceptions

- **New “600 series” ECCNs:** Many of the items in the 4 new “600 series” ECCNs generally would be eligible for same license exceptions and subject to same restrictions on use of license exceptions as other “600 series” ECCNs.
- **New 0x5zz ECCNs:** For the 0x5zz ECCNs that would be created for items moved from USML Categories I and III, the following license exceptions or portions of these license exceptions may be available: Shipments of limited value (**LVS**); Temporary exports, imports and reexports (**TMP**); Governments, international organizations, international inspections under the Chemical Weapons Convention, and the International Space Station (**GOV**); Baggage (**BAG**); and Strategic Trade Authorization (**STA**), provided EAR license exception criteria were met.
- **Legacy items moved into new 0x5zz ECCNs:** For ECCNs currently on CCL that would be renumbered and placed in closer proximity to firearms-related items that would be removed from USML and added to CCL, these existing firearms-related items would continue to be eligible for same EAR license exceptions, provided EAR license exception criteria were met.

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License Exception LVS (§740.3)

- **Complete firearms** under 0A501 would not be eligible for LVS.
- Firearms “**parts**,” “**components**,” “**accessories**,” and “**attachments**” under 0A501, *other than receivers (frames), complete breech mechanisms, including castings, forgings or stampings thereof*, would be eligible for LVS, with a limit of **\$500 net value per shipment**.
- **Receivers (frames), complete breech mechanisms, including castings, forgings or stampings thereof**, would be eligible for LVS if ultimate destination is **Canada**. These limits would be stated in License Exceptions paragraph of 0A501.
- Guns and armament and related items under 0A602 would be eligible for LVS, with a limit of **\$500 net value per shipment**.
- **Ammunition** under ECCN 0A505 would not be eligible for LVS; however, **ammunition parts and components** would be eligible with a limit of **\$100 net value per shipment**.
- Test, inspection and production equipment controlled under 0B501, 0B602 and 0B505 for firearms, guns and armament and ammunition/ordnance would be eligible LVS with a limit of **\$3,000 net value per shipment**.

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License Exception TMP (§ 740.9)

- TMP would not be available to export or reexport:
 - items that are the subject of this rule **to** destinations in Country Group **D:5 or Russia**.
 - any item under 0A501 and any shotgun with a barrel length less than 18 inches under 0A502 that was **shipped from or manufactured in** Country Group **D:5; or**
 - any item under 0A501 and any shotgun with a barrel length less than 18 inches controlled under 0A502 that was **shipped from or manufactured in Russia**.
- Proposed rule would limit temporary exports of firearms under 0A501 and any shotgun with a barrel length less than 18 inches under 0A502 pursuant to TMP to exhibition and demonstration (§ 740.9(a)(5)) and inspection, test, calibration, and repair (§ 740.9(a)(6)).
- Proposed rule would authorize use of TMP for export of 0A501 firearms temporarily in U.S. for a period of not more than one year subject to the requirement that the firearms **not be imported from or ultimately destined for certain proscribed countries**.

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License Exception GOV (§ 740.11)

- Proposed rule would revise GOV to limit applicability of GOV for firearms, “parts” and “components” under 0A501 and ammunition under 0A505 to exports, reexports and transfers for official use by U.S government agencies and official and personal use by U.S. government employees (and immediate families and household employees of those government employees) (§ 740.11(b)(2)(i) and (ii) of the EAR).
- It would not impose certain restrictions that are imposed by current ITAR license exemption (under 22 CFR 123.18).
- All other items that are included in Commerce proposed rule would be subject to limits on use of GOV that apply to 600 series items generally, *i.e.*, § 740.11(b)(United States Government) or § 740.11(c) to a government in Country Group A:1 cooperating governments or an agency of NATO.

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License Exception BAG (§ 740.14)

- Proposed rule would revise BAG to allow **U.S. citizens and permanent resident aliens leaving U.S. temporarily** to take up to **three firearms** under **0A501** and up to **1,000 rounds of ammunition** for such firearms controlled under **0A505.a for personal use** while abroad **and** would **apply** to both **non-automatic and semi-automatic** firearms.
- Additional requirements:** Travelers leaving U.S. temporarily would be required to **declare 0A501 and 0A505 items to CBP officer prior to departure** from U.S. **and present** firearms, “parts,” “components,” “accessories,” “attachments,” **and** ammunition they are exporting to CBP officer for inspection, and **confirm** authorized under BAG.
- Proposed rule would revise BAG to allow **other persons leaving U.S.** to take firearms, “accessories,” “attachments,” “components,” “parts,” **and** ammunition controlled by **0A501 or 0A505**, *provided that they were lawfully brought into U.S.*

Note: No changes made to BAG for shotguns and shotgun shells under paragraph (e)(1) or (e)(2).

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License Exception STA (§ 740.20)

- Proposed rule would revise STA to make firearms under **0A501 and most “parts,” “components,” “accessories,” and “attachments”** under **0A501 not eligible** for STA. **Only “parts,” “components,” “accessories,” and “attachments”** under **0A501.x** would be **eligible for STA**.
- Items under **0A502** and **0A503 not eligible** for STA.
- Proposed rule (*as a conforming change*) would remove 0A985 and 0E987 in (b)(2)(ii) of GOV and add in their place 0A503 and 0E504 to specify STA exclusion would continue to apply.

Note: STA “600 series” ultimate end use requirement does not apply to 0x5zz ECCNs.

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Conforming Change to General Order No. 5

- Proposed rule would amend General Order No. 5, paragraph (e)(3)(*Prior commodity jurisdiction determinations*), in Supplement No. 1 to part 736, to add a reference in two places to the new 0x5zz ECCNs.
- This is a conforming change and is needed because paragraph (e)(3) now only references “600 series” and 9x515 ECCNs.
- Important conforming change for **ensuring EAR99 items** (e.g., most swivels and scope mounts for firearms that have previously been determined through the CJ and classification process to not be “subject to the ITAR” and designated as EAR99) **do not get pulled up into new 0x5zz ECCNs**.

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Human Rights Licensing Policy for Firearms and Ammunition would be Added to EAR

- Proposed rule would apply regional stability (RS) licensing policy in § 742.6(b)(1)(i) to items controlled for RS reasons in 0A501, 0B501, 0D501, 0E501, 0A505, 0B505, 0D505, 0E504 and 0E505.
- That policy, which also applies to “600 series” and 9x515 items, is:
Case-by-case review to determine whether transaction is contrary to national security or foreign policy interests of the U.S., including foreign policy interest of promoting observance of human rights throughout the world.

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Support Documentation for Firearms, Parts, Components, Accessories, and Attachments Under OA501

- Proposed rule would require that for commodities under OA501 for which a license would be required, the exporter or reexporter must obtain, prior to submitting an application, an import permit (or copy thereof) *if importing country requires such permits for import of firearms.*
- Purpose is to assure foreign governments that their regulations concerning importation of firearms are not circumvented. Obtaining an import certificate or equivalent official document issued by member states of the Organization of American States (OAS) meets this requirement.
- To implement this change, proposed rule would revise § 748.12 to include OA501 (except OA501.y), OA502, OA504 (except OA504.f), and OA505 (except OA505.d) within list of commodities that are subject to the requirement and would add paragraph (e) requiring import certificates or permits be obtained from countries other than OAS member states *if those states require such a certificate or permit.*

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Conventional Arms Reporting for Certain Exports of ECCN OA501.a and .b Commodities

- In § 743.4 (Conventional arms reporting), this rule would revise paragraph (c)(1)(i) and (c)(2)(i) to add OA501.a and .b as commodities that would require Wassenaar Arrangement reporting and United Nations reporting.
- This requirement would assist USG to meet its multilateral commitments for special reporting requirements for exports of certain items listed on WAML *and* the UN Register of Conventional Arms when these items are authorized for export under License Exceptions LVS, TMP, RPL, STA, or GOV, or Validated End User authorization and for United Nations reporting.

Note: LVS and STA are in § 743.4(b)(1), but because OA501.a and .b are not eligible for LVS and STA, reporting requirements under § 743.4(c)(1)(i) and (c)(2)(i) would be limited to exports authorized under TMP, GOV and RPL or VEU authorization.

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BIS 2018 ANNUAL CONFERENCE ON EXPORT CONTROLS AND POLICY

Planned Outreach and Enforcement Related Activities for Categories I-III items That Would Move to CCL

William Higgins, Acting Special Agent in Charge

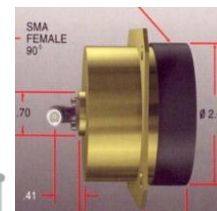
Boston Field Office

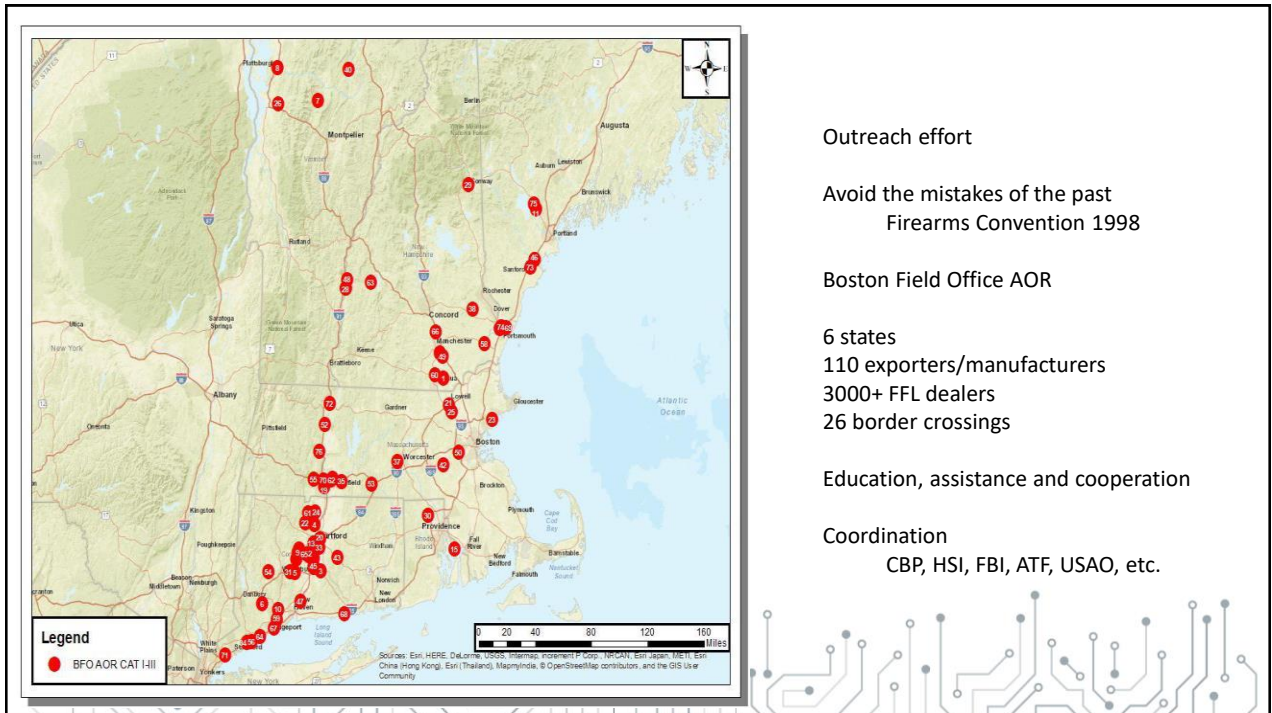
Office of Export Enforcement (OEE)

Bureau of Industry and Security



All the same in an investigation





Outreach effort


Avoid the mistakes of the past
Firearms Convention 1998

Boston Field Office AOR


6 states
110 exporters/manufacturers
3000+ FFL dealers
26 border crossings

Education, assistance and cooperation

Coordination
CBP, HSI, FBI, ATF, USAO, etc.




For Additional Information Contact
Office of Export Enforcement
Boston Field Office
10 Causeway Street, Suite 253
Boston, Massachusetts 02222
Or call: 617-565-6030



WWW.BIS.DOC.GOV



ALERT
REGULATORY CHANGE ON THE HORIZON!

Export licensing for most firearms and ammunition is moving from the U.S. Department of State (DDTC) to the U.S. Department of Commerce (BIS)

Watch for information on this important regulatory change over the next several months!

For more information go to:
WWW.BIS.DOC.GOV

To read the proposed regulations:
www.XXX.>>>XXX



BIS 2018 ANNUAL CONFERENCE ON EXPORT CONTROLS AND POLICY

Overview of the Department of State Category I, II, and III (“Firearms”) Proposed Rule

Robert J Monjay
Foreign Affairs Officer
U.S. Department of State
Office of Defense Trade Controls Policy

Department of State Category I, II, and III (“Firearms”) Proposed Rule

- Department of State is engaged in an effort to revise the USML so that its scope is limited to those defense articles that provide the United States with a critical military or intelligence advantage or, in the case of weapons, are inherently for military end use.
- Articles now controlled by USML Categories I, II, and III that would be removed from the USML under the State proposed rule do not meet this standard, *including many items which are widely available in retail outlets in the United States and abroad.*
- The State proposed rule would revise **Categories I** (Firearms, Close Assault Weapons and Combat Shotguns), **II** (Guns and Armament), and **III** (Ammunition/Ordnance) of the USML, so that they describe in positive terms the defense articles that should remain on the USML.

USML Category I (Firearms, Close Assault Weapons and Combat Shotguns)

- State proposed rule revises **USML Category I**, to control only weapons that are uniquely military or that are not otherwise widely available for commercial sale.
- Revised **USML Category I** will not include non-automatic and semi-automatic firearms to caliber .50 (12.7mm) inclusive, currently controlled under paragraph (a), and all of the parts, components, accessories, and attachments “specially designed” for those articles.
 - *Such items will be subject to the new 500 series controls in Category 0 of the CCL published separately by the Department of Commerce.*

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Summary of Proposed Changes to **USML Category I** (continued)

Paragraph (a) will cover firearms for caseless ammunition.

Paragraph (b) will continue to cover fully automatic firearms to caliber .50 (12.7mm) inclusive.

Paragraph (c) will be **reserved**, and all such weapons that remain on USML will be covered by paragraph (a), (b) or (c) of this category or by Category II.

Paragraph (d) will cover fully automatic shotguns.

Paragraph (e) will continue to cover silencers, mufflers, sound suppressors, and specially designed parts and components; flash suppressors **will be subject to the EAR**.

Paragraph (f) will be **reserved**, as riflescopes and other firearms sighting devices may be controlled in USML Category XII if they have night vision or infrared capabilities, and other riflescopes **will be subject to the EAR**.

Paragraph (g) will continue to cover barrels, receivers (frames), bolts, bolt carriers, slides, or sears, specially designed for the firearms in Category I.

Paragraph (h) will cover high capacity (greater than 50 rounds) magazines and parts and components to convert a semi-automatic firearm into a fully automatic firearm.

Paragraph (i) will continue to cover the technical data and defense services.

A new **paragraph (x)** will be added to USML Category I, allowing ITAR licensing for items subject to the EAR under stated criteria.

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USML Category II (Guns and Armament)

- State proposed rule revises **USML Category II**, covering guns and armament, establishing a bright line between the USML and the CCL for the control of these articles.
- Most significantly, **paragraph (j)**, controlling parts and components, will be revised to enumerate the articles controlled therein.

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Summary of Proposed Changes to **USML Category II** (continued)

Paragraph (a) will be revised to enumerate the articles controlled in that paragraph.

Articles currently covered in **paragraph (c)** (apparatus and devices for launching or delivering ordnance) still warranting control on the ITAR will be included in **new paragraph (a)(4)**.

A new **paragraph (a)(5)** will be added for developmental guns and armaments funded by the Department of Defense and the specially designed parts and components of those developmental guns and armaments.

Articles currently controlled in **paragraph (f)**, engines for self-propelled guns and howitzers in paragraph (a), **will be on the CCL in ECCN 0A606**.

Tooling and equipment for the production of articles controlled in USML Category II, currently in **paragraph (g)**, **will be on the CCL in ECCN 0B602**.

Test and evaluation equipment, currently in **paragraph (h)**, **will be on the CCL in ECCN 0B602**.

Certain autoloading systems controlled in **paragraph (i)** will be moved to **paragraphs (j)(9) and (j)(11)**.

Note: A new **paragraph (x)** will be added to USML Category II, allowing ITAR licensing for items subject to the EAR under stated criteria.

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USML Category III (Ammunition/Ordnance)

- This proposed rule revises **USML Category III**, covering ammunition and ordnance, to establish a bright line between the USML and the CCL for the control of these articles and to be consistent with the changes to Category I.
- Most significantly, **paragraphs (a) and (d)** will be revised to **remove broad catch-alls and enumerate the articles to be controlled therein**.
- Paragraph (a), which controls ammunition for articles in USML Categories I and II, will be revised to specifically list the ammunition that it controls.

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Summary of Proposed Changes to **USML Category III** (*continued*)

Paragraph (a), which controls ammunition for articles in USML Categories I and II, will be **revised to specifically list the ammunition that it controls**.

A new **paragraph (a)(10)** will be added for developmental ammunition funded by the Department of Defense and the parts and components specially designed for such developmental ammunition.

Ammunition not enumerated in **paragraph (a)** **will be subject to the EAR**.

Likewise, revised **paragraph (d)**, which controls parts and components, **will enumerate the articles it controls**; those articles not identified but currently captured via the catch-all **will be subject to the EAR**.

Paragraph (c), which controls production equipment and tooling, will be **removed and placed in reserve**. The articles currently covered by this paragraph **will be subject to the EAR**.

Note: A new **paragraph (x)** will be added to USML Category III, allowing ITAR licensing for items subject to the EAR under stated criteria.

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Conforming ITAR Changes

- State proposed rule will make conforming changes to several sections of the ITAR that refer to the current controls in USML Category I(a).
- These sections will be amended because they all refer to firearms that will be controlled on the CCL.
- Conforming changes will also be made to §§ 123.16(b)(2), §123.16(b)(6), 123.17, 123.18, 124.14(c)(9), and 126.1(s) for other needed to changes.

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Thank you